

State of Maryland
Department of Housing and Community Development
Community Development Administration
Single Family Housing

Certification/Recertification of Tenant Eligibility

Important: Read the instructions before completing this form.

PART I. GENERAL INFORMATION

1. Date of Certification: _____ 2. Date tenant moved into unit: _____

3. Project Name: _____

4. Type of Certification: _____ a. Initial Certification _____ b. Annual Certification

5. Tenant Name: _____
Last First M.

6. Tenant Address: _____

7. City, State, Zipcode: _____

8. Unit Number _____
 Unit Size _____ Bedroom
 Unit Designation _____
 *Tenant Rent _____
 *Gross Rent _____
 *Building Number _____
 *Unit Type _____
 *Utility Allowance _____

9. and 10. are optional questions, but important for fair housing purposes. Answer each question for the head of household, and transfer the information to the Attachment to the Annual Certificate of Compliance.

9. Race of head of household # _____
 (1) White
 (2) Black
 (3) American Indian or Alaskan Native
 (4) Asian or Pacific Islander
 (5) Hispanic
 (6) Other
 (7) No Data

10. Marital Status # _____
 (1) Single Male
 (2) Single Female
 (3) Married
 (4) Unmarried, living together
 (5) Separated
 (6) Divorced
 (7) Widowed
 (8) Other

PART II. HOUSEHOLD COMPOSITION

11. Household Information

Member No.	Last Name	First Name	.MI	Sex	Date of Birth M/D/Y	Social Security Number	Place of Birth
Head							
2							
3							
4							
5							
6							
7							
8							

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12. Employment/Student Information (Complete for all members of household 18 years of age and older.)

Member No.	Student? (Y/N)	School Attending	Occupation	Employer(s)	Location(s) of Employment
Head					

PART III. NET HOUSEHOLD ASSETS AND INCOME

13. Household Assets

Assets include savings accounts, dividends, net rental income, stocks, bonds, CD's, Money Market Funds, equity in real property, and the market value of all other capital investments.

a. Type of Assets	b. Cash Value of Assets	c. Actual Yearly Income from Assets
	\$	\$
TOTAL	\$	\$

Any cash, stocks, bonds, real property or other investments that have been given away or sold for less than fair market value within the preceding two years must be included as household assets. If the total of the 13b. exceeds \$5,000, continue with 14, otherwise, enter N/A in item 14 and go to Item 15.

14. Imputed Income from Assets

Multiply the Total in item 13b. by .06%, the current HUD passbook rate, \$_____

15. Enter the larger amount of the total of item 13c. or item 14. \$_____

16. Income (Use annual amounts.)

	a. Gross wages, salaries, tips, student & net income from self-employment	b. Social Security, pensions, unemployment, disability	c. Public assistance AFDC, etc.	d. All other income: alimony, child support, gifts, military pay and any other taxable income
Head	\$	\$	\$	\$
TOTAL	\$	\$	\$	\$

17. Total Income (Total of 16a, 16b, 16c and 16d) \$ _____

18. Total Income and Assets (Total of items 15 and 17) \$ _____

PART IV. CERTIFICATIONS

19. PRIVACY ACT STATEMENT

The information on this form is being collected by CDA to determine an applicant's eligibility and the recommended unit size. It will be used to provide the basis for managing the program covered by this form, for protecting the State's financial interest, and for verifying the accuracy of the information furnished. The information may be released to appropriate Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations or prosecutions. Failure to provide any of the information may result in a delay or rejection of your eligibility approval.

20. TENANT CERTIFICATION

I/We certify that the information set forth on this form is true and complete to the best of my/our knowledge and belief and is given under the penalty of perjury. Failure to provide full and accurate information could result in lease termination.

Head of Household Date

Spouse/Co-Head Date

21. LANDLORD CERTIFICATION

The information on this form has been verified as required by the Maryland Department of Housing and Community Development. The anticipated annual income for the residents is listed above.

Owner/Agent Date

INSTRUCTIONS FOR COMPLETING THE CERTIFICATION/RECERTIFICATION OF TENANT ELIGIBILITY

The Certification/Recertification of Tenant Eligibility is to be completed and verified by the management agent or owner of the housing units receiving a loan or assistance through the Community Development Administration (CDA). Information should be supplied by the applicant/tenant and the owner/agent when the form is completed. All information must be verified by the owner/agent as indicated in these instructions, and retained in the applicant/tenant file to be available for inspection and review by CDA.

Part I. General Information

1. Date completing this form.
2. Date tenant moved into the unit.
3. Present name of the project. If the project does not have a name, write the name of the owner receiving the loan.
4. Check whether certification is for tenant moving into unit (initial) or annual certification.
- 5-7 Self-explanatory.
8. Identifying information for the tenant file to be transferred to the Attachment to the Annual Certificate of Compliance.
Unit number is the identifying information for the unit. *For example: 1A, 201C, Front.*
Unit size refers to the number of bedrooms. E may be used to designate an efficiency.
Unit designation refers to elderly, disabled, Section 8, etc.
* Applies to projects receiving Low Income Housing Tax Credits only.
Unit rent is the unit contract rent, not necessarily the amount paid by the tenant.
Tenant rent is the amount of rent paid by the tenant for the unit.
Building identification number on the tax credit 8609 form.
Unit type examples are townhouse, terrace, corner unit, etc.
Utility allowance is the computed amount for the unit.
- 9-10 The answers are optional, but the information is important to CDA for statistical purposes for tracking compliance with the Fair Housing Act. For question 9, the information should be obtained from observation. Tenants are under no obligation to answer the questions, and in no event should the answers to these question affect the tenant selection process.

Part II. Household Composition

11. Complete for each person in the household. Last name, first name, middle initial, sex, month, day and year for the date of birth, social security number, and state or country of birth.
12. Completed for everyone in the household who is 18 years of age and older. Include the number of the household member as listed in question 11.

Student means a full time student (other than at a correspondence school) during at least 5 months of the year in which the certification is executed. Verify the student status with the Registrar's office or appropriate school official.

Ask each member that works if he/she works at more than one job. Include all jobs, including self-employment. Information may be included on an additional page if necessary.

See page 7 and 8 for acceptable forms of income verification.

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Part III. Household Assets and Income

13. Please refer to page 5 to determine what assets to include and what assets not to include. The cash value of the asset is the amount the family would receive if the assets were converted to cash.

Cash value is Market Value minus reasonable expenses that were or would be incurred in selling or converting the asset to cash, such as:

- a. penalties for premature withdrawal,
 - b. broker and legal fees, and
 - c. settlement costs for real estate transactions.
14. The HUD passbook amount is determined by the HUD area offices and subject to change. The HUD passbook rate was set at .06 percent in H2014-15 Notice issued October 31, 2014 and effective February 1, 2015
 15. Self-explanatory.
 16. Refer to pages 3 and 4 to determine what annual income to include and what income to exclude as well as page 6 for suggestions to calculate gross annual income. Anticipated income should be determined.
 - 17-18 Self-explanatory.

Part IV. Certifications

19. Please allow the tenant time to read this information.
20. The tenant signs and dates this form after the form has been completed by the manager or owner of the property.
21. The owner or manager signs and dates this form after the information has been verified.

ANNUAL INCOME INCLUDES:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services;
2. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
3. Interest, dividend, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph 2 of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
4. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;
5. Payments in lieu of earnings, such as unemployment, disability compensation, worker's compensation and severance pay. Any payments that will begin during the next 12 months must be included;
6. Welfare assistance, if the payment includes an amount specifically designated for shelter and utilities, that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - (a) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - (b) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; and
8. All regular pay, special pay and allowances of a member of the Armed Forces.
9. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, any income distributable from the trust fund shall be counted when determining annual income.

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children;
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a live-in aide;
6. Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the Government to a veteran, for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student. Any amounts of such scholarships or payments to a veteran not used for the above purposes that is available for subsistence are to be included in income;
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
8. Amounts received under training programs funded by HUD;
9. Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security income eligibility and benefits because they are set aside for use under a plan to attain self-Sufficiency (PASS);
10. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement or out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
11. Temporary, non-recurring or sporadic income (including gifts); or
12. Amounts specifically excluded by any other Federal statute for consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act. The following is a list of types of income that qualify for that exclusion:
 - a. the value of the allotment provided to an eligible household under the Food Stamp Act.
 - b. payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions).
 - c. Payments, rebates or credits received under the Federal, Low-Income Home Energy Assistance Programs. Includes any winter differentials given to the elderly.
 - d. Payments received under programs funded in whole or in part under the Job Training Partnership Act;
 - e. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs, that are made available to cover the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses. Examples include Pell Grants, Supplemental Opportunity Grants, State Student Incentive Grants, College-Work Study and Byrd Scholarships.
 - f. Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation.
 - g. Payments received under Title V of the Older Americans Act (Green Thumb, Senior Aides, Older American Community Service Employment Program).
 - h. Any earned income tax credit to the extent it exceeds income tax liability.

Instructions, continued, page 5

ASSETS INCLUDE:

1. Cash in savings and checking accounts, safe deposit boxes, homes, etc.
2. Stocks, bonds, Treasury Bills, certificates of deposit, money market funds.
3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.
4. Cash value of trusts that are available to the household.
5. IRA, Keogh and similar retirement savings accounts, even though the withdrawal would result in a penalty.
6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment of benefits that will be received in a lump sum distribution if the person is at retirement or termination of employment.
7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.
8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.
9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
10. Assets disposed of for less than fair market value during the two years preceding certification or recertification, if the fair market value exceeds the gross payment received by more than \$1,000.

ASSETS DO NOT INCLUDE:

1. Necessary personal property (except that held as an investment).
2. Interest in Indian trust lands.
3. Assets that are part of an active business.

Note: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant's/tenant's main occupation.
4. Assets not accessible to the family and which provide no income for the family.
5. Vehicles especially equipped for the handicapped.
6. Equity in owner-occupied cooperatives in which the family lives.
7. Life insurance policies.
8. Assets that are not effectively owned by the applicant even though the assets are held in the applicant's name because the assets and income from the assets accrue to the benefit of someone else and that person is responsible for the taxes incurred on such income.

Count as Income

1. Actual income from assets if total assets are \$5,000 or less;
2. If assets are more than \$5,000, the greater of: actual income from assets, or total assets X HUD passbook rate*

* This figure is subject to change. Effective 2/1/15, the HUD passbook rate is .06%.

SUGGESTIONS FOR CALCULATING GROSS ANNUAL INCOME

Source of Income	Guidance for Calculations
Earned Income	<p>Use current circumstances to anticipate future earnings.</p> <p>Include all family members over 18, including income of temporarily absent spouse or other usual family member.</p> <p>Make sure to use annual figures. If wages are paid hourly, assume 2080 hours for full time employment.</p>
Income from Assets (interest earning bank accounts, stock and bonds, CDs, IRAs, Keogh accounts, etc.)	<p>If under \$5,000 use the actual income. If over \$5,000, use the greater of the actual or the imputed income based on the passbook rate established by HUD. Assets disposed of for less than fair market value are counted for two years.</p>
Contributions and gifts	<p>Include as income if contributions are being made on a regular basis.</p>
Alimony and child support	<p>Include if the support is actually being provided.</p>
Income from a business	<p>Generally, this is gross income less expenses.</p>
Insurance settlements, inheritances, proceeds from sale of property and other lump sum payments	<p>Generally, these are assets and not income.</p>
Income from welfare assistance	<p>Count the basic welfare grant.</p>
Periodic payments, such as social security, pensions, etc.	<p>Make sure to calculate the annual value of periodic payments. Lump sum payments are treated as assets.</p>

ACCEPTABLE FORMS OF VERIFICATION

This list indicates the specific information that must be obtained for verification of the information provided on the Certification/Recertification of Tenant Eligibility.

Employment Income *Accept one of the following:*

Employment verification form completed by the employer. Any verification form must request the employer to specify the: (a) frequency of pay, (b) effective date of any increase during the next 12 months, and (c) rate and frequency of any overtime anticipated over the next 12 months.

Check stubs or earnings statements showing employee gross pay for three consecutive pay periods and frequency of pay, i.e. weekly, bi-weekly, monthly, etc.

W-2 forms if applicant has had the same job for at least two years and pay increases can be projected accurately, or last year's federal income tax return.

If self-employed, affidavits or income tax return signed by the applicant describing self-employment and amount of income or income from tips and other gratuities.

Social Security, Pensions, Supplemental Security Income (SSI), Disability Income

Benefit verification form completed by the agency providing the benefits.

Award or benefit notification letters prepared and signed by the authorizing agency. If checks or automatic bank deposit slips are used, the amount should be confirmed by Social Security since deductions such as Medicare premiums must be added to the face value of the check.

Owners should document any refusal of the Social Security Administration to verify amounts.

Unemployment Compensation

Verification form completed by the unemployment compensation agency.

Records from unemployment office stating payment dates and amounts.

Welfare Payments such as AFDC

Welfare agency's written statements as to the type and amount of assistance the family is now receiving, and any changes in assistance expected during the next 12 months.

Alimony or Child Support Payments

Copy of a separation or settlement agreement or a divorce decree stating the amount and type of support and payment schedules.

A notarized statement from the person paying the support.

Copy of latest support check received. Owner or manager should record the date, amount, and number of check.

Applicant's notarized statement or affidavit of amount received or that support payments are not being received and the likelihood of support payments received in the future.

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Net Income from a Business The following documents show income for the prior years. Owners or managers must consult with tenants and use this data to estimate income for the next 12 months.

IRS Tax Return, Form 1040, including any:
Schedule C Small Business
Schedule E Rental Property Income
Schedule F Farm Income

Financial statement(s) of the business including an accountant's calculation of straight-line depreciation expense if accelerated depreciation were used on the tax return or financial statement.

Loan application listing income derived from the business during the previous 12 months.

In the case of rental property, copies of recent bills/checks, leases to verify income, and tax statements, insurance premiums, receipts for reasonable maintenance and utility expenses, bank statements or amortization schedules showing monthly interest expense.

Notarized statement or affidavit signed by applicant stating net income realized from business during previous 12 month period.

Recurring Gifts

Notarized statement or affidavit signed by the person providing or receiving the assistance. Must include the purpose, dates and value of gifts.

Scholarships, Grants, and Veterans Administration Benefits for Education

Verification form, with signed Consent to Release, completed by educational institution of expected cost of tuition, fees, books, and equipment that will be incurred during the next 12 months.

Rental Income from Property Owned by Applicant

IRS Form 1040 with Schedule E (Rental Income)

Copies of latest rent checks, leases, or utility bills for the past 3 months.

Documentation of applicant's income and expenses in renting the property (tax statements, insurance premiums, receipts for reasonable maintenance and utilities, bank statements or amortization schedules showing monthly interest expense).

Lessee's written statement identifying monthly payments due the applicant and applicant's affidavit as to net income realized.

Savings Account Interest Income and Dividends

Account statements, passbooks, certificates of deposit, etc., if they show enough information (i.e. rate of return) and are signed by the financial institution.

Broker's quarterly statements showing the value of stocks or bonds and the earnings credited the applicant.

If an owner or manager accepts an IRS Form 1099 from the financial institution, the owner must adjust the information to project earnings expected for the next 12 months.